

**ASSEMBLY BILL**

**No. 1539**

**Introduced by Assembly Member Houston**

February 21, 2003

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An act to amend Section 1771 of the Labor Code, relating to prevailing wages.

LEGISLATIVE COUNSEL'S DIGEST

AB 1539, as introduced, Houston. Prevailing wages: sole proprietorships.

Existing law generally requires that not less than the general prevailing rate of per diem wages, as specified, be paid to workers engaged in a public work, as defined, the cost of which exceeds \$1,000.

This bill would exempt from this requirement any sole proprietorship whose only employee is the sole proprietor.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1771 of the Labor Code is amended to  
2 read:  
3 1771. (a) Except for public works projects of one thousand  
4 dollars (\$1,000) or less, not less than the general prevailing rate of  
5 per diem wages for work of a similar character in the locality in  
6 which the public work is performed, and not less than the general  
7 prevailing rate of per diem wages for holiday and overtime work  
8 fixed as provided in this chapter, shall be paid to all workers  
9 employed on public works.

- 1     ~~This~~  
2     (b) ~~This section is applicable~~ *applies* only to work performed  
3 under contract, and is not applicable to work carried out by a public  
4 agency with its own forces. ~~This~~  
5     (c) *This section is applicable to contracts let for maintenance*  
6 *work.*  
7     (d) *Notwithstanding any other provision of law, this section*  
8 *does not apply to a public work that is performed by an entity that*  
9 *meets both of the following criteria:*  
10     (1) *The entity is organized as a sole proprietorship.*  
11     (2) *The entity's only employee is the sole proprietor.*

